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STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES

P. O. BOX 119
HONOLULU, HAWAII 96810-0119

March 19, 1990

RUSSEL S. NAGATA
COMPTROLLER

JAMES H. YASUDA
DEPUTY COMPTROLLER

COMPTROLLER'S MEMORANDUM NO. 1990-7

TO: Heads of Departments and Agencies
FROM: Russel S. Nagata, Comptroller
SUBJECT: New Personal Services Object Code

This memorandum is to announce a new code in the object of expenditure code table and to make it available for current use, pending update of the Accounting Manual for the new code.

The purpose of the new code is to provide a separate identification for payroll expenditures to individuals performing services under contract who have been determined to be working in an employer-employee relationship. Although the individuals are retained by contract, they are paid by payroll so that employment taxes can be withheld and remitted as required by law.

The new code will be added to page 685.02 of the Accounting Manual (Vol. I) as follows:

28XX Personal Services Rendered by Individuals
Under Contract in an Employer-Employee
Relationship

A definition of the new code will be added to page 686.01 of the Accounting Manual (Vol. 1) as follows:

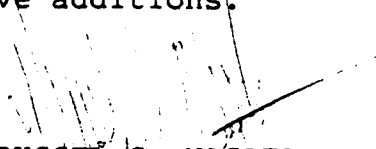
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28XX Personal Services Rendered by Individuals
 Under Contract in an Employer-Employee
 Relationship

Includes payments via the payroll system to
individuals performing services under
contract in an employer-employee
relationship for employment tax purposes.

Other Accounting Manual changes that may be needed
in connection with this new object code will be covered in the
revision that covers the above additions.


RUSSEL S. NAGATA
Comptroller